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09/930,124	08/14/2001	Robert C. Push	13056-007	9402

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EXAMINER	
HARBECK, TIMOTHY M	
ART UNIT	**PAPER NUMBER**
3692	

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	01/24/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary	Application No. 09/930,124	Applicant(s) PUSH, ROBERT C.	
	Examiner Timothy M. Harbeck	Art Unit 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *20 October 2006*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-61* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-61* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claim 59 is rejected under 35 U.S.C. 102(b) as being anticipated by Quint (Michael Quint. "A Fund-Shifting System That's Open All Night." New York Times. (Late Edition (East Coast)). New York, N.Y.: Nov 27, 1992. pg D.12 (3 pages)).

Quint discloses a method for margining exchange-traded futures or options on futures contracts the method comprising:

- Purchasing, by a FCM, shares of at least one fund (Page 2, paragraphs 3 and 5)
- Transferring, by said FCM, at least a portion of said shares to an associated clearing organization, to satisfy a variation margin requirement of a futures or options contract entered into by a customer or said FCM and traded through an associated clearing organization (Page 2, 3rd paragraph; "members can satisfy daily margin calls (variation margin) by sending the fund's shares to the exchange (clearing organization) rather than cash or Treasury bills.")

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-17, 21-45 and 49-58 are rejected under 35 U.S.C. 103(a) as being unpatentable over Raghavan (Anita Raghavan. "GlobeSet to Ease Commodity Trading." Asian Wall Street Journal. New York, N.Y.: Nov 23, 1992. PAGE 9, 3 pgs total).

Re Claim 1: Raghavan discloses a method of improving the efficiency of margining exchange traded futures and options on futures contracts, the method comprising the steps of:

- Purchasing, by a futures commission merchant (FCM) shares of at least one registered money market mutual fund
- Transferring by said FCM, at least a portion of said shares to an associated clearing organization, to satisfy a margin requirement of a futures or options contract through said associated clearing organization (See entire article, specifically page 2, paragraphs 1-5)

Raghavan does not explicitly disclose wherein said FCM's are acting on behalf of a customer, however this step was notoriously well known in the art of commodities trading at the time of invention. In futures and options trading most

trades of the average person are done via an FCM since these people are authorized members of the exchange where the trade takes place. Therefore it would have been obvious for anyone skilled in the ordinary art at the time of invention to allow an FCM to act on behalf of a third party customer in order to allow the average individual to trade in futures and options contracts.

Re Claim 2: Raghavan discloses the claimed method supra and further discloses wherein title in said shares purchased by said FCM are owned by said FCM (Page 2, paragraph 5, "transferring his shares", "the shareholder has enough shares," implies ownership of said shares.)

Re Claim 3: Raghavan discloses the claimed method supra and further discloses wherein the value of said at least a portion of said shares substantially equals the value of said margin requirement (Page 2, paragraph 1, "accepting shares in the fund as an acceptable way for its traders to post "margin" – the good-faith deposit they must put up to trade.")

Re Claim 4: Raghavan discloses the claimed method supra and Raghavan further discloses transferring by said FCM on behalf of said customer to said associated clearing organization, at least one of cash or securities to satisfy said margin requirement (Page 2, paragraph 2). Raghavan does not explicitly disclose the step wherein said transfer occurs together with a portion of said shares and wherein the value of said at least a portion of said shares and the value of said at least one of cash and securities substantially equals the value of said margin requirement. However, this step would have been obvious to anyone of ordinary skill in the art because Raghavan discloses that the

clearing organization is capable of accepting any of the aforementioned mediums for collateral. Therefore accepting a combination of the three mediums, so long as the overall requirement is filled would be advantageous, as it would provide the traders with more flexibility for posting the margin. For instance the trader might not have enough to post margin in any one medium. However by combining more than one, said trader could post margin efficiently without having to waste time in converting one medium into another.

Re Claim 5: Raghavan discloses the claimed method supra but does not explicitly disclose wherein said shares are redeemable for cash the same day a redemption request is made. However it was notoriously well known in the art for shares of a fund, such as the one disclosed by Raghavan to be redeemable for cash. The advantage of such a fund is the liquidity with which the shares can be converted to cash, or in other words for the trader to "close" his position in the fund. Therefore it would have been obvious to anyone skilled in the ordinary art at the time of invention to allow the shares to be redeemable for cash to provide liquidity for the trader.

Re Claim 6: Raghavan discloses the claimed method supra but does not explicitly disclose wherein said shares are redeemable for cash the same day a redemption request is made until a predetermined time of said day. However it was well known in the art at the time of invention for certain exchanges to have limited trading hours each day, and therefore if a trade was to be made (shares converted to cash), the trade had to be performed by a certain predetermined time. Therefore it would have been obvious to include this step in order to

process the trade during the appropriate hours so that a trader does not have to endure a delay in the transaction.

Re Claim 7: Raghavan discloses the claimed method supra and further discloses wherein said margin requirement is an original margin requirement (Page 2, paragraphs 1-2 "post margin.")

Re Claim 8: Raghavan discloses the claimed method supra but does not explicitly disclose wherein said margin requirement is a variation margin requirement. However it was well known in the art at the time of invention for a futures contract to have a variation margin as a result of marking said contract to market periodically. Therefore it would have been obvious to any one skilled in the ordinary art at the time of invention to include the variation margin requirement as a part of the Raghavan method to allow for the efficient and timely transfer of assets that occurs due to the mark-to-market of a particular futures contract. In this way the transfer can be done automatically in a medium that is accepted by all parties.

Re Claim 9: Raghavan discloses the claimed method supra but does not explicitly disclose the step of holding the purchased shares into a non-pledged account, wherein said non-pledged account is owned by said FCM. However non-pledged accounts, owned by an FCM, are notoriously well known in the art at the time of invention and would have been obvious to anyone of ordinary skill as a means for an FCM to hold the assets of a variety of customers into one account.

Re Claim 10: Raghavan discloses the claimed method supra but does not explicitly disclose the step of holding the transferred shares into a pledged account, wherein said pledged account is owned by said clearing organization on behalf of said FCM, and wherein title in said shares remains with said FCM. However pledged accounts were notoriously well known in the art at the time of invention and would have been obvious to anyone of ordinary skill as a means for an FCM to establish a good faith relationship with a clearing organization. These pledged accounts offer the clearing organization reduced risk in the form of a claim onto said shares should the FCM default in the future.

Re Claim 11: Raghavan discloses the claimed method supra but does not explicitly disclose transferring, by said associated clearing organization, said at least a portion of said shares to satisfy said variation margin requirement. However the step of transferring assets to satisfy a variation margin requirement in a futures contract was notoriously well known in the art at the time of invention. This process is done periodically when the contract is marked to market to reduce any long-term risk due to changes in the price of the contract. Therefore it would have been obvious to anyone of ordinary skill, that if said assets were in the form of shares in a fund such as the one disclosed by Raghavan, that said shares would be transferred to satisfy the variable margin requirement.

Re Claim 12-13: Raghavan discloses the claimed method supra but does not explicitly disclose wherein said transferring transfers said shares to a second FCM on behalf of a second customer, wherein said second customer is a party to said futures or options contract, and wherein title is said shares transfers to said

second FCM. However it was well known in the art that a futures contract involves a buy side and a sell side and therefore any variable margin will be transferred between the opposing sides and the opposing sides only. Therefore it would have been obvious to anyone of ordinary skill in the art to transfer the shares to a second FCM, if that FCM is related to the opposing party to the contract, in order to properly fulfill the variable margin requirement on the contract.

Re Claims 14-15: Raghavan discloses the claimed method supra but does not explicitly disclose the step of transferring by said FCM additional shares to satisfy a second margin requirement and wherein said second margin requirement is a variable margin requirement. However it was well known in the art at the time of invention that a futures contract has both an original margin requirement as well as a second variable margin requirement depending on the change in price of the contract. Therefore, it would have been obvious to allow for the transfer of a second margin requirement from the owned shares of the fund to satisfy the variable margin requirement so that the customer does not have to add additional assets in the form of cash or securities.

Re Claim 16: Raghavan discloses the claimed method supra but does not explicitly disclose wherein said second margin requirement is an original margin requirement of a second futures or options contract entered into by said customer. However it was notoriously well known in the art that an original margin requirement is required for each contract in which a customer enters and therefore it would have been obvious to anyone of ordinary skill that if a customer

enters a second contract, that a second original margin needs to be posted in order to gain authorization from the clearing organization.

Re Claim 17: Raghavan discloses the claimed method supra but does not explicitly disclose wherein said customer is the FCM, however it was notoriously well known in the art that an FCM can trade in their own interest and therefore it would have been obvious to anyone of ordinary skill for the customer to be the FCM itself.

Re Claim 21: Raghavan discloses the claimed method supra but does not disclose wherein said at least one registered money market mutual fund is a common settlement money market fund. However it was well known in the art for a money market mutual fund, such as the one disclosed by Raghavan (note the use of "common" in the claim language as well as Raghavans denomination of a dollar per share, synonymous with a money market fund page 2 paragraph 4). It therefore would have been obvious to anyone of ordinary skill to include a common settlement money market fund in order for a customer's cash to be easily represented in "shares" on a one to one basis.

Re Claims 22-23: Raghavan discloses the claimed method supra but does not explicitly disclose wherein said registered money market mutual fund complies with certain rules and regulations. However it would have been obvious to anyone of ordinary skill in the art at the time of invention to have the fund disclosed by Raghavan to comply with all appropriate rules and regulations so that the associated parties are not in violation of the law and subject to any penalties for breaching the regulations

Re Claim 24: Raghavan discloses the claimed method supra but does not explicitly disclose the step of earning by said FCM, equity on each of said shares held by said FCM. However it was well known in the art that the owner of shares in a fund is entitled to the equity earned and furthermore this step would have been obvious to anyone of ordinary skill in order to allow the FCM to obtain a revenue stream from the dealings in the fund.

Re Claim 25: Raghavan discloses the claimed method supra but does not explicitly disclose earning, earning by said FCM, equity on each of said shares held by said FCM less interest determined from a current reference yield. However it was well known in the art at the time of invention to yield interest to the customer as a return for the customer utilizing the particular FCM. The customer is, in effect loaning the FCM a certain amount of funds and it therefore would have been obvious to anyone of ordinary skill at the time of invention to grant the customer a reference yield so that the customer is compensated for the transaction.

Re Claim 26: Raghavan discloses the claimed method supra and while not explicitly disclosing wherein said current reference yield is a current yield of a predetermined government treasury bill, this step was notoriously well known in the art (evidenced by applicants own disclosure, page 8), and therefore would have been obvious to anyone of ordinary skill in order to adhere to the industry standard.

Re Claim 27: Raghavan discloses the claimed method supra but does not explicitly disclose the step of earning, by said clearing organization, equity on

each said at least a portion of said shares held by said clearing organization. However it was well known in the art to allow the holder of shares to earn equity on said shares. It therefore would have been obvious to allow the clearing organization, such as the one noted in Raghavan, to earn equity on the shares as these shares have been transferred to a pledged account owned by the clearing organization. This allows the clearing organization to acquire a revenue stream associated with their participation in the transaction.

Re Claim 28: Raghavan discloses the claimed method supra and further discloses wherein the steps may be performed over one of the Internet or direct link using at least one computerized system (Page 2, paragraph 5).

Re Claims 29-45 and 49-56: Further data processing apparatus claims would have been obvious in order to perform previously rejected method claims 1-17 and 21-28 respectively and are therefore rejected using the same art and rationale.

Re Claim 57: Raghavan discloses a data processing apparatus for retrieving and storing data indicative of one or more shares of a common settlement fund for use in settling margins in connection with exchange-traded futures contracts or exchange traded options contracts, comprising:

- Instructions operable to cause data processing apparatus to store and retrieve data associated with the shares of said fund, said shares being owned by a future commission merchant
- Wherein margin related transactions of futures contracts or options contracts are settled by retrieval of data indicative of the shares and

by transfer of the data from said FCM to a clearing organization in response to an instruction to transfer the shares from the FCM to the clearing organization (See entire article, specifically page 2, paragraphs 1-5)

Raghavan does not explicitly disclose wherein said FCM's are acting on behalf of a customer, however this step was notoriously well known in the art of commodities trading at the time of invention. In futures and options trading most trades of the average person are done via an FCM since these people are authorized members of the exchange where the trade takes place. Therefore it would have been obvious for anyone skilled in the ordinary art at the time of invention to allow an FCM to act on behalf of a third party customer in order to allow the average individual to trade in futures and options contracts.

Re Claim 58: Raghavan discloses a method of utilizing a fund to settle margins in connection with exchange-traded futures contracts or exchange traded options contracts, wherein said fund includes shares that are owned by a futures commission merchants (FCM) said method comprising the step of:

- Transferring shares from said FCM to a clearing organization to settle margin related transactions of futures contracts or options on futures contracts (See entire article, specifically page 2, paragraphs 1-5)

Raghavan does not explicitly disclose wherein said FCM's are acting on behalf of a customer, however this step was notoriously well known in the art of commodities trading at the time of invention. In futures and options trading most

trades of the average person are done via an FCM since these people are authorized members of the exchange where the trade takes place. Therefore it would have been obvious for anyone skilled in the ordinary art at the time of invention to allow an FCM to act on behalf of a third party customer in order to allow the average individual to trade in futures and options contracts.

Claims 18-20 and 46-48 are rejected under 35 U.S.C. 103(a) as being unpatentable over Raghavan in view of Boes (US PAT 5,193,056).

Re Claim 18: Raghavan discloses the claimed method supra but does not explicitly disclose wherein at least one of said at least one registered money market mutual fund is a spoke of a money market portfolio hub. Boes discloses a data processing system for hub and spoke financial services configuration wherein various funds are spokes for a portfolio hub (FIG 1). It would have been obvious to anyone of ordinary skill in the art at the time of invention to include the teachings of Boes to the disclosure of Raghavan so that funds with similar interests can essentially pool their assets in order to take advantage of the benefits associated aggregation including added revenue streams due to interest and savings for tax purposes (See Boes Column 5 line 51- Column 6 line 31).

Re Claim 19: Raghavan in view of Boes discloses the claimed method supra but does not explicitly disclose wherein said at least one registered money market mutual fund is a spoke of a different money market portfolio hub. However it was well known that the hub and spoke configuration is utilized using funds of similar interests. Therefore it would have been obvious to have the

funds be a spoke of different portfolio hubs if said fund interests were not aligned so that the hub and spoke configuration will operate efficiently.

Re Claims 20: Raghavan in view of Boes discloses the claimed method surpa but does not explicitly disclose wherein the fund complies with certain rules and regulations. However it would have been obvious to anyone of ordinary skill in the art at the time of invention to have the fund disclosed by Raghavan to comply with all appropriate rules and regulations so that the associated parties are not in violation of the law and subject to any penalties for breaching the regulations.

Re Claims 46-48: Further fund claims would have been obvious in order to perform previously rejected method claims 18-20 respectively and are therefore rejected using the same art and rationale.

<u>Claims 60 and 61 are rejected under 35 U.S.C. 103(a) as being unpatentable over Quint</u>.

Re Claims 60 and 61: Quint discloses the claimed method supra but does not explicitly disclose wherein the fund complies with certain rules and regulations. However it would have been obvious to anyone of ordinary skill in the art at the time of invention to have the fund disclosed by Quint to comply with all appropriate rules and regulations so that the associated parties are not in violation of the law and subject to any penalties for breaching the regulations.

Response to Arguments

Applicant's arguments filed 10/20/2006 have been fully considered but they are not persuasive.

As per the previous rejections under 101, the amended claims are sufficient to overcome these rejections.

As per the previous rejections under 112, second paragraph, the applicant's submission that the claims apply to the rules and regulations in effect as of the filing date of the instant application, and the affidavits of said rules and regulations, are sufficient to overcome the rejection. However, it is noted that should the language of the law cited change in the future (or if it has changed since filing), the scope of the claims will not change with the law, but be limited to the boundaries on the date of invention.

With regards to the examiner's prior art rejections, the examiner is not persuaded by the applicants arguments. Initially Applicant states his belief that the GlobeSet fund was not a registered money market mutual fund as the term is understood by those in the art. In response the Examiner points to teachings in Quint (paragraph 1) and Schap (Abstract) of evidence that the GlobeSet fund was in fact "structured and regulated as a money market mutual fund."

With regards to the arguments concerning variation margin, the applicant believes that the GlobeSet fund appears to refer to posting collateral only for original margin obligations (Remarks page 15). Again the examiner points toward the Quint reference as a teaching that members using the GlobeSet fund can satisfy daily margin calls by sending the funds shares to the exchange." (Quint Page 2, paragraph 3). Therefore appears that the GlobeSet fund can satisfy variation margin requirements.

With regards to the applicants argument that certain aspects of Raghavan would not be obvious because it would have run afoul of the federal regulations in place at the time on FCM's regarding investment of customer funds. Respectfully the examiner contends that applicant is misconstruing the phrase 'at the time of invention' as is commonly used in obvious type rejections. It is not what would have been obvious at the time of the *reference* date, but what would have been obvious at the time of the *present* (applicant's) invention. With this in mind, it either must be true that the rules in place (at the time of applicants invention) allowed for such transactions, and thus would be obvious to a person interpreting the rules and regulations, or, if the rules were not in place at the time of the applicants invention, the applicants invention would run afoul according to the same logic. With this distinction clarified the examiner maintains the rejections in question concerning the federal regulations, codes and more specifically how FCMs can invest customer funds. More specifically the examiner contends that it would have been obvious to a person of ordinary skill in the art to modify the GlobeSet Fund according to Raghavan with the changing laws in order to exploit and/or conform to the new requirements.

In addition the examiner offers the Arend reference as additional evidence that teaches the GlobeSet fund wherein a custodian, acting on behalf of global securities traders, utilized the fund for margin collateral requirements in futures transactions. This appears to satisfy the claimed language involving the custodial relationship between the FCM and the customer.

Please see the attached references with regards to the teaching and evidence cited above.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Timothy M. Harbeck whose telephone number is 571-272-8123. The examiner can normally be reached on M-F 8:30-5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached on 571-272-6777. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

RICHARD E. CHILCOT, JR.
SUPERVISORY PATENT EXAMINER